
**5. RURAL DEVELOPMENT PROVISIONS FROM FARM
SECURITY AND RURAL INVESTMENT ACT OF 2002**

[As Amended Through Public Law 107-293, Nov. 13, 2002]

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5. RURAL DEVELOPMENT PROVISIONS FROM FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

TITLE VI OF THE FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

(Public Law 107–171; May 13, 2002)

[Note: Only freestanding provisions of this title are included in this compilation. Most of the sections of this title amended other Acts.]

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Subtitle D—SEARCH Grants for Small Communities

SEC. 6301. [7 U.S.C. 2009ee] DEFINITIONS.

In this subtitle:

(1) COUNCIL.—The term “council” means an independent citizens’ council established by a State rural development director under section 6302(c).

(2) ENVIRONMENTAL PROJECT.—

(A) IN GENERAL.—The term “environmental project” means a project that—

(i) improves environmental quality; and

¹This table of contents is up-to-date and is included for the convenience of the reader. The original table of contents for the title is found in section 1 of the Farm Security and Rural Investment Act of 2002, but it has not been kept up-to-date.

(ii) is necessary to comply with an applicable environmental law (including a regulation).

(B) INCLUSION.—The term “environmental project” includes an initial feasibility study of a project.

(3) REGION.—The term “region” means a geographic area of a State, as determined by the State rural development director, in coordination with the environmental protection director of the State.

(4) SEARCH GRANT.—The term “SEARCH grant” means a grant awarded under section 6302(f).

(5) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(6) SMALL COMMUNITY.—The term “small community” means an incorporated or unincorporated rural community with a population of 2,500 inhabitants or less.

(7) STATE.—The term “State” has the meaning given the term in section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009).

SEC. 6302. [7 U.S.C. 2009ee-1] SEARCH GRANT PROGRAM.

(a) IN GENERAL.—The Secretary, in coordination with the Administrator of the Environmental Protection Agency, may establish the SEARCH grant program.

(b) ALLOCATION TO STATE RURAL DEVELOPMENT DIRECTORS.—

(1) IN GENERAL.—Subject to paragraph (2) and section 6304(a)(2), not later than 60 days after the date on which the Director of the Office of Management and Budget apportions any amounts made available under this subtitle for any of fiscal years 2002 through 2007, the Secretary, on request of a State rural development director (in coordination with the environmental protection director of the State), shall allocate to the State rural development director an amount not to exceed \$1,000,000, to be used by the State rural development director to award SEARCH grants under subsection (d).

(2) GRANTS TO STATES.—The total amount of funds allocated to State rural development directors in all States other than Alaska, Hawaii, or the 48 contiguous States for a fiscal year under this subsection shall not exceed \$1,000,000.

(c) INDEPENDENT CITIZENS’ COUNCIL.—

(1) ESTABLISHMENT.—The State rural development director of a State shall establish an independent citizens’ council to carry out the duties described in this section.

(2) COMPOSITION.—

(A) IN GENERAL.—A council shall be composed of 9 members, appointed by the State rural development director, in coordination with the environmental protection director of the State.

(B) REPRESENTATION; RESIDENCE.—Each member of a council shall—

(i) represent an individual region of the State, as determined by the State rural development director; and

(ii) reside in a small community in the State.

(d) **ELIGIBILITY.**—A SEARCH grant shall be awarded under this section only to a small community for 1 or more environmental projects for which the small community—

(1) needs funds to carry out initial feasibility or environmental studies as required by Federal or State law before applying to traditional funding sources; and

(2) demonstrates that the small community has been unable to obtain sufficient funding from traditional funding sources.

(e) **APPLICATIONS.**—To be eligible to receive a SEARCH grant, a small community in a State shall submit to the State rural development director of the State an application that includes—

(1) a description of the proposed environmental project (including an explanation of how the project would assist the small community in complying with a Federal or State environmental law (including a regulation);

(2) an explanation of why the project is important to the small community;

(3) a description of all actions taken with respect to the project as of the date of the application, including any attempt to secure funding; and

(4) a description of demonstrated need for funding for the project.

(f) **AWARDS.**—

(1) **IN GENERAL.**—Not later than May 1 of each fiscal year, a State rural development director, in coordination with the council and the environmental protection director of the State, shall—

(A) review all applications received by the State rural development director under subsection (e); and

(B) award SEARCH grants to small communities based on—

(i) an evaluation of whether the proposed project meets the eligibility criteria under subsection (d); and

(ii) the content of the application.

(2) **ADMINISTRATION.**—In awarding a SEARCH grant, a State rural development director—

(A) shall award the funds for any recommended environmental project in a timely and expeditious manner; and

(B) shall not award a SEARCH grant to a grantee or project in violation of any Federal or State law (including a regulation).

(3) **MATCHING REQUIREMENT.**—A small community that receives a SEARCH grant under this section may be required to provide matching funds.

(g) **UNEXPENDED FUNDS.**—

(1) **IN GENERAL.**—If, for any fiscal year, any unexpended funds remain after SEARCH grants are awarded by a State rural development director under subsection (f), the State rural development director, in coordination with the environmental protection director of the State, may repeat the application and review process so that any remaining funds are recommended for award, and awarded, not later than July 30 of the fiscal year.

(2) RETENTION OF FUNDS.—

(A) IN GENERAL.—Any unexpended funds that are not awarded under subsection (f) or paragraph (1) shall be retained by the State rural development director for award during the following fiscal year.

(B) LIMITATION.—A State SEARCH account that accumulates a balance of unexpended funds described in subparagraph (A) in excess of \$2,000,000 shall be ineligible to receive additional funds for SEARCH grants until such time as the State rural development director awards grants in the amount of the excess.

SEC. 6303. [7 U.S.C. 2009ee-2] REPORT.

Not later than 30 days after the end of the first fiscal year for which SEARCH grants are awarded, and annually thereafter, the Secretary shall submit to the Committee on Energy and Commerce and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the number of SEARCH grants awarded during the fiscal year;

(2) identifies each small community that received a SEARCH grant during the fiscal year;

(3) describes the project or purpose for which each SEARCH grant was awarded, including a statement of the benefit to public health or the environment of the environmental project receiving the grant funds; and

(4) describes the status of each project or portion of a project for which a SEARCH grant was awarded, including a project or portion of a project for which a SEARCH grant was awarded for any previous fiscal year.

SEC. 6304. [7 U.S.C. 2009ee-3] FUNDING.

(a) ALLOCATION TO STATE RURAL DEVELOPMENT DIRECTORS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 6302(b) \$51,000,000 for each of fiscal years 2002 through 2007, of which not to exceed \$1,000,000 shall be used to make grants under section 6302(b)(2).

(2) ACTUAL APPROPRIATION.—If funds to carry out section 6302(b) are made available for a fiscal year in an amount that is less than the amount authorized under paragraph (1) for the fiscal year, the Secretary shall divide the appropriated funds for the fiscal year equally among the 50 States.

(b) OTHER EXPENSES.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle (other than section 6302(b)).

Subtitle E—Miscellaneous

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SEC. 6402. [7 U.S.C. 1621 note] AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) **PURPOSE.**—The purpose of this section is to direct the Secretary of Agriculture to establish a demonstration program under which agricultural producers are provided—

(1) technical assistance, consisting of engineering services, applied research, scale production, and similar services, to enable the agricultural producers to establish businesses to produce value-added agricultural commodities or products;

(2) assistance in marketing, market development, and business planning; and

(3) organizational, outreach, and development assistance to increase the viability, growth, and sustainability of businesses that produce value-added agricultural commodities or products.

(b) **DEFINITIONS.**—In this section:

(1) **PROGRAM.**—The term “Program” means the Agriculture Innovation Center Demonstration Program established under subsection (c).

(2) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.

(c) **ESTABLISHMENT OF PROGRAM.**—The Secretary shall establish a demonstration program, to be known as the “Agriculture Innovation Center Demonstration Program” under which the Secretary shall—

(1) make grants to assist eligible entities in establishing Agriculture Innovation Centers to enable agricultural producers to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible entities in establishing Agriculture Innovation Centers through the research and technical services of the Department of Agriculture.

(d) **ELIGIBILITY REQUIREMENTS.**—

(1) **IN GENERAL.**—An entity shall be eligible for a grant and assistance described in subsection (c) to establish an Agriculture Innovation Center if—

(A) the entity—

(i) has provided services similar to the services described in subsection (a); or

(ii) demonstrates the capability of providing such services;

(B) the application of the entity for the grant and assistance includes a plan, in accordance with regulations promulgated by the Secretary, that outlines—

(i) the support for the entity in the agricultural community;

(ii) the technical and other expertise of the entity; and

(iii) the goals of the entity for increasing and improving the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products;

(C) the entity demonstrates that adequate resources (in cash or in kind) are available, or have been committed to be made available, to the entity, to increase and improve the ability of local agricultural producers to develop

markets and processes for value-added agricultural commodities or products; and

(D) the Agriculture Innovation Center of the entity has a board of directors established in accordance with paragraph (2).

(2) BOARD OF DIRECTORS.—Each Agriculture Innovation Center of an eligible entity shall have a board of directors composed of representatives of each of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the eligible entity is located.

(B) The department of agriculture, or similar State department or agency, of the State in which the eligible entity is located.

(C) Entities representing the 4 highest grossing commodities produced in the State, determined on the basis of annual gross cash sales.

(e) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (i), under the Program, the Secretary shall make, on a competitive basis, annual grants to eligible entities.

(2) MAXIMUM AMOUNT OF GRANTS.—A grant under paragraph (1) shall be in an amount that does not exceed the lesser of—

(A) \$1,000,000; or

(B) twice the dollar amount of the resources (in cash or in kind) that the eligible entity demonstrates are available, or have been committed to be made available, to the eligible entity in accordance with subsection (d)(1)(C).

(3) MAXIMUM NUMBER OF GRANTS.—

(A) FIRST FISCAL YEAR OF PROGRAM.—In the first fiscal year of the Program, the Secretary shall make grants to not more than 5 eligible entities.

(B) SECOND FISCAL YEAR OF PROGRAM.—In the second fiscal year of the Program, the Secretary may make grants to—

(i) the eligible entities to which grants were made under subparagraph (A); and

(ii) not more than 10 additional eligible entities.

(4) STATE LIMITATION.—

(A) IN GENERAL.—Subject to subparagraph (B), in the first 3 fiscal years of the Program, the Secretary shall not make a grant under the Program to more than 1 entity in any 1 State.

(B) COLLABORATION.—Nothing in subparagraph (A) precludes a recipient of a grant under the Program from collaborating with any other institution with respect to activities conducted using the grant.

(f) USE OF FUNDS.—An eligible entity to which a grant is made under the Program may use the grant only for the following purposes (but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224)):

(1) Applied research.

- (2) Consulting services.
- (3) Hiring of employees, at the discretion of the board of directors of the Agriculture Innovation Center of the eligible entity.
- (4) The making of matching grants, each of which shall be in an amount not to exceed \$5,000, to agricultural producers, except that the aggregate amount of all such matching grants made by the eligible entity shall be not more than \$50,000.
- (5) Legal services.
- (6) Any other related cost, as determined by the Secretary.
- (g) RESEARCH ON EFFECTS ON THE AGRICULTURAL SECTOR.—
 - (1) IN GENERAL.—Of the amount made available under subsection (i) for each fiscal year, the Secretary shall use \$300,000 to support research at a university concerning the effects of projects for value-added agricultural commodities or products on agricultural producers and the commodity markets.
 - (2) RESEARCH ELEMENTS.—Research under paragraph (1) shall systematically examine, using linked, long-term, global projections of the agricultural sector, the potential effects of projects described in subparagraph (A) on—
 - (A) demand for agricultural commodities;
 - (B) market prices;
 - (C) farm income; and
 - (D) Federal outlays on commodity programs.
- (h) REPORT TO CONGRESS.—
 - (1) IN GENERAL.—Not later than 3 years after the date on which the last of the first 10 grants is made under the Program, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on—
 - (A) the effectiveness of the Program in improving and expanding the production of value-added agricultural commodities or products; and
 - (B) the effects of the Program on the economic viability of agricultural producers.
 - (2) REQUIRED ELEMENTS.—The report under paragraph (1) shall—
 - (A) include a description of the best practices and innovations found at each of the Agriculture Innovation Centers established under the Program; and
 - (B) specify the number and type of activities assisted, and the type of assistance provided, under the Program.
- (i) FUNDING.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) for each fiscal year, the Secretary shall use to carry out this section—
 - (1) not less than \$3,000,000 for fiscal year 2002; and
 - (2) not less than \$6,000,000 for each of fiscal years 2003 and 2004.

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SEC. 6405. [7 U.S.C. 2655] RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANT PROGRAM.

(a) **IN GENERAL.**—The Secretary of Agriculture may make grants to units of general local government and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

(b) USE OF FUNDS.—**(1) SCHOLARSHIPS.**—

(A) **IN GENERAL.**—Not less than 60 percent of the amounts made available for competitively-awarded grants under this section shall be used to provide grants to fund partial scholarships for training of individuals at training centers approved by the Secretary.

(B) **PRIORITY.**—In awarding grants under this paragraph, the Secretary shall give priority to grant applicants that provide for training within the region (or locality) of the applicant.

(2) GRANTS FOR TRAINING CENTERS.—

(A) **IN GENERAL.**—A grant under subsection (a) may be used to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel.

(B) **LIMITATION.**—Not more than \$750,000 shall be provided to any single training center for any fiscal year under this paragraph.

(c) **FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$10,000,000 for each of fiscal years 2003 through 2007, to remain available until expended.

SEC. 6406. SENSE OF CONGRESS ON RURAL POLICY COORDINATION.

It is the sense of Congress that the President should—

(1) appoint a Special Assistant to the President for Rural Policy;

(2) designate within each Federal agency with jurisdiction over rural programs or activities 1 or more senior officers or employees to provide rural policy leadership for the agency; and

(3) create an intergovernmental rural policy working group comprised of—

(A) the Special Assistant to the President for Rural Policy, who should serve as Chairperson; and

(B) the senior officers and employees designated under paragraph (2).